Written Summary – 12/17/10

Best practice diversity models indicate that a diversity survey assessment is needed to create a baseline for monitoring an organization's progress on the Diversity Journey. A diversity survey is utilized to understand the issues through the eyes of all stakeholders and to ensure the organization is working on the real issues rather than symptoms of the problem. Some of the benefits and possible outcomes of a diversity survey are:

- Management Commitment Established
- Employee Ownership and Involvement
- Baseline Understanding of Diversity and Inclusion Strengths and Challenges
- Initial Foundation for Future Culture Change
- Baseline Measure of Success
- Diverse Lens on Organizational Issues

Diversity Survey

Timeframe:

In November 2010, *The Kaleidoscope Group, L.L.C.* conducted an electronic web-based Diversity & Inclusion Pulse survey with CalPERS employees.

Goal: To reassess the areas that received low scores in the baseline survey that was conducted in 2008.

Categories Assessed:

1. Inclusion
2. Fair People Processes
3. Leadership Commitment

Demographic Factors Assessed:

- Generation
- Gender
- Education
- Length of Employment
- Ethnicity
- Current Position

Audience: The entire CalPERS population (2,317 - budgeted positions as of July 1, 2010)

Response Rate: There were 1504 responses to the survey representing approximately 65% of the organization.

Overall Findings

Overall Strengths:

- Findings regarding strengths, from 2008, which remain consistent in this survey include:
    - Men and women continue to share a similar view of diversity and inclusion at CalPERS.
    - Generation Y employees scored more favorably than the rest of the organization on the Inclusion and Fair People Practices categories
    - Employees with less than one year of experience with CalPERS scored more favorably overall on the survey
    - Asians, Filipinos and Native Americans had a more favorable view of Inclusion than the other racial groups
- Native Americans and Filipinos had a more favorable view of Fair People Practices than other racial groups
- Filipinos had a more favorable view on all the dimensions than the other racial groups
- Senior Leaders and students had a more favorable view on all the dimensions than the other positions
- Favorability ratings increased on all three dimensions for the Traditionalist (born between 1922 and 1945) generation.

Overall Areas of Opportunity:

- When comparing 2010 item scores to 2008 results, 20 of the 22 items experienced decreases in favorability. The remaining 2 items experienced no change.
- On the dimension of Leadership Commitment:
    - Respondents perceive a lower level of leadership commitment to diversity and inclusion in 2010 than in 2008
    - The overall score for this dimension decreased 5 points; every item in this category also experienced a decrease in favorability
    - American Indians, Blacks, Hispanics, Native Americans, and Other ethnicities as well as employees with 21-25 years if experience rated this category lower than the rest of the organization.
    - In 2008 and 2010, "Leaders hold others accountable for creating a diverse environment" was the lowest rated item, in this category, with scores of 48% and 42% favorability respectively.
- Findings regarding opportunities, from 2008, which remain consistent include:
    - The presence of favoritism and the lack of comfort expressing honest opinions without fear of retribution are key areas of opportunity for the majority of the groups.
    - There were general concerns expressed about the level of fairness in the hiring, promotions, and evaluation processes
- Generation X and Baby Boomers responded less favorably to the survey overall than the older and younger generations
- Blacks, American Indians and those who identified their race as "Other" had less favorable perceptions than the other racial groups

Overall Category Assessed and their Favorability Ratings for the Organization

Survey Category	2010	2008	Increase (Decrease)
Fair People Processes	59%	63%	(4)
Inclusion	58%	61%	(3)
Leadership Commitment	53%	58%	(5)

Two Most Favorable Survey Items for the Organization

Only 2 items scored above 70% on favorability in 2010 as follows:

Survey item	2010	2008	Increase (Decrease)
Plan to continue working at CalPERS	75%	82%	(7)
Diverse Perspectives Considered	73%	73%	0

Five Least Favorable Survey Items for the Organization

The five least favorable survey items were the same in 2010 as in 2008. All 5 items experienced a decrease in favorability.

Survey item	2010	2008	Increase (Decrease)
Favoritism is not tolerated at CalPERS	33%	36%	(3)
Can express opinions without fear of retribution	38%	40%	(2)
People are promoted here based on their qualifications	43%	48%	(5)
Leaders hold others accountable for creating a diverse environment	42%	48%	(6)
Leaders communicate the importance of diversity	51%	53%	(2)

5 Percentage Points Different than Organizational Average

Below we have identified which specific demographic groups scored at least 5 percentage points above or below the organizational average score on one or more dimensions.

More Favorable Perceptions of D&I Dimensions	2010	2008
1. Generation Y	X	X
2. Less than 1 year of service	X	X
3. Asian	X	X
4. Filipino	X	X
5. Native Hawaiian or Other Pacific Islander	X	X
6. Students	X	X
7. Retired Annuitant	X	X
8. Management	X	
9. Senior Leader	X	

Less Favorable Perceptions of D&I Dimensions	2010	2008
1. Traditionalist		X
2. 6-10 years	X	
3. 11-15 years		X
4. 16-20 years		X
5. 21-25 years	X	X
6. American Indian or Alaskan Native	X	
7. Black/African-American	X	X
8. Hispanic or Latino	X	X
9. Native Hawaiian or Other Pacific Islander	X	
10. Other (Race)	X	X

Notable Findings by Demographic

Gender

Similar to 2008, in 2010 there were no significant differences between male and female responses.

Race/Ethnicity

The following table highlights category scores that are 5 percentage points greater than/less than the organizational average.

	Org Average	American Indian	Asian	African American	Filipino	Hispanic or Latino	Hawaiian/ Other PI	White	Other
Inclusion	58	46	65	50	73	56	68	59	47
Fair People Practices	59	49	64	53	71	56	65	62	46
Leadership Commitment	53	44	58	46	71	48	44	56	40

American Indians scored lower than the organization average on all 3 categories and the lowest of all 8 ethnic groups on Inclusion. Their lowest rated items included:
- Favoritism is not tolerated at CalPERS   30% favorable
- People can openly express honest opinions without fear   30% favorable
- People are promoted based on qualifications   30% favorable

Asians scored more favorably than the organizational average on the Inclusion dimension as well as every item included in this dimension. Their most favorable item was:
- Diverse perspectives are considered   79% favorable

African-Americans scored the lowest on the following items:
- Favoritism is not tolerated at CalPERS"   20% favorable
- People can openly express honest opinions without fear   36% favorable
- People are promoted based on qualifications   38% favorable

Filipino's scored more favorably than the organizational average on all 3 categories. Highest rated items included:

- Diverse perspectives are considered   90% favorable
- I plan to continue working here   85% favorable
- CalPERS is a destination employer   79% favorable

Native Hawaiians and Other Pacific Islanders scored higher than the organizational average on Inclusion and Fair People Practices. Highest rated items included:

- Diverse perspectives are considered   89% favorable
- Suggestions from people of diverse backgrounds are encouraged   89% favorable
- Feedback is professionally give to improve effectiveness   84% favorable

"Other" respondents scored less favorably than the organizational average on all three categories.

Generation

Generation Y scored more favorably than the organizational average (58% agree) on Inclusion (66%) and Fair People Processes (66%)

Their highest rated items related to Inclusion were:

1. Diverse perspectives are considered – 78% agree
2. Suggestions from people of diverse backgrounds are considered – 76% agree
3. Feedback is professionally given to improve effectiveness – 73% agree

Their highest rated items related to Fair People Processes included:

1. I plan to continue working here – 76% agree
2. CalPERS is a destination employer – 73%
3. People have equal access to career developmental opportunities – 72% agree

Baby Boomers had less favorable scores overall than Traditionalists, Generation X and Y.

Length of Employment

Employees who have worked with CalPERS less than 1 year scored more favorably than the organizational average on the Inclusion, Fair People Processes and Leadership Commitment.

Employees who have worked 6-10 years scored significantly lower (52%) than the organizational average (58%) on Inclusion. Items with ≥ 10 point difference from the organizational average included:

- Feedback is professionally given to improve effectiveness   52% favorable
- Everyone has an opportunity to succeed   60% favorable
- Favoritism is not tolerated   23% favorable

Employees who have worked 21-25 years scored significantly less favorably on Fair People Processes (48%) and Leadership Commitment (44%) than the organization average of 59% and 53%, respectively. Items with the largest point difference (i.e. >20 points) from the organization average included:

- People have equal access to career developmental opportunities (47% favorable)
- CalPERS is a destination employer (51% favorable)

Current Position

Senior Leaders scored more favorably than the organizational average on Inclusion (67%), Fair People Processes (71%) and Leadership Commitment (66%).

Management scored more favorably on Fair People Processes (64%) and Leadership Commitment (61%).

As in 2008, Students scored higher than the organizational average on the Inclusion, Fair People Processes, and Leadership Commitment dimensions.

As in 2008, Retired Annuitants scored more favorably than the organizational average on the Fair People Processes. There was no significant difference in favorability, compared to the organizational average, on Inclusion and Leadership Commitment.

Education

There were no significant differences in favorability between respondents of different educational backgrounds.

The Kaleidoscope Group, L.L.C. recognizes that the CalPERS Diversity Outreach Program (CDOP) has created a strategic plan for the diversity and inclusion effort. Below we have provided some next step recommendations to consider as you focus on enhancing diversity & inclusion awareness across the organization.